

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

IN RE CERENCE STOCKHOLDER
DERIVATIVE LITIGATION

Master File No. 1:22-cv-10723-ADB

**PLAINTIFFS' MOTION TO SEAL THEIR VERIFIED CONSOLIDATED
STOCKHOLDER DERIVATIVE COMPLAINT**

Pursuant to Local Rule 7.2, Plaintiffs William Shafer (“Shafer”) and Peter Morse (“Morse,” and together with Shafer, “Plaintiffs”), by and through their undersigned counsel, hereby move this Court to issue an order authorizing the sealing of their Verified Consolidated Stockholder Derivative Complaint (the “Consolidated Complaint”). In support of this Motion, Plaintiffs state:

1. On May 10 and 12, 2022, Plaintiffs each filed a complaint derivatively on behalf of Cerence Inc. (“Cerence” or the “Company”) against Defendants Sanjay Dhawan, Mark J. Gallenberger, Arun Sarin, Thomas Beaudoin, Marianna Budnik, Sanjay Jha, Kristi Ann Matus, Alfred Nietzel, and Stefan Ortmanns (collectively, “Individual Defendants,” and together with Cerence, the “Defendants”), seeking to remedy alleged breaches of fiduciary duties, insider selling, and unjust enrichment, violations of Section 14(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), and contribution for violations of Sections 10(b) of the Exchange Act. The two actions were consolidated on June 13, 2022. ECF No. 14.

2. On June 27, 2022, the Court granted the Parties’ stipulation staying the Consolidated Action pending a ruling on the motion to dismiss in the related securities class action captioned *City of Miami Firefighters’ and Police Officers’ Retirement Trust v. Cerence Inc., et al.*, No. 22-10321-ADB (the “Securities Action”). See ECF 16. Notwithstanding the stay, Plaintiffs

are permitted to file an amended complaint, which Defendants need not answer or otherwise respond to during the pendency of the stay. *Id.* at ¶ 4.

3. On February 14, 2023, the Company produced to Plaintiffs certain corporate books and records that were produced to certain Cerence stockholders who made factually related demands pursuant to 8 *Del. C.* § 220 (the “220 Documents”).

4. The 220 Documents were produced to Plaintiffs subject to a confidentiality agreement that requires Plaintiffs to file any complaint or other pleading referencing the material under seal.

5. The Consolidated Complaint refers throughout to the 220 Documents which are subject to the confidentiality agreement.

6. Plaintiffs respectfully submit that good cause exists to initially seal the Consolidated Complaint because, without the protections sought by this Motion, Defendants would likely assert Plaintiff breached the confidentiality agreement by publicly filing the Consolidated Complaint.

7. Plaintiffs are unaware of sufficient alternatives to sealing the Consolidated Complaint. However, Plaintiffs have moved to seal (by way of redaction) only those sections of the Consolidated Complaint which specifically quote from or characterize the 220 Documents subject to the confidentiality agreement.

For the foregoing reasons, Plaintiffs respectfully request this Court grant Plaintiffs’ Motion to Seal the Consolidated Complaint.

Dated: September 12, 2023

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was filed through the Electronic Court Filing system on September 12, 2023, and a copy thereof will be sent electronically to the registered recipients and counsel of record as identified on the Notice of Electronic Filing.

/s/ Jonathan P. Whitcomb

JONATHAN P. WHITCOMB